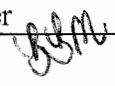


# Regular Meeting

<b>Agenda Item #</b>	2, 3, and 4
<b>Meeting Date</b>	June 13, 2005
<b>Prepared By</b>	Barbara B. Matthews City Manager
<b>Approved By</b>	

<b>Discussion Item</b>	2 <sup>nd</sup> reading of various ordinances adopting and approving the FY06 budget
<b>Background</b>	<p>The City's new fiscal year will commence on July 1, 2005. In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager prepared a recommended budget for consideration by the City Council.</p> <p>The proposed budget for FY06 accounts for the City's financial activities in four major funds or fiscal entities. They are the General Fund, the Storm Water Management Fund, the Special Revenue Funds, and the Community Center Fund.</p> <p>Prior to commencing its deliberations, the City Council held two public hearings to obtain input from Takoma Park residents on the City Manager's recommended budget. These hearings were held on May 2, 2005 and May 9, 2005.</p> <p>The City Council then held a series of work sessions to review and to discuss the City Manager's recommended budget. During this process, certain modifications were made to the budgets for the General Fund and for the Community Center Fund. Another public hearing was held on May 31, 2005 to provide residents with an additional opportunity to comment on the proposed budget for FY06 prior to its adoption.</p> <p>The proposed budget for FY06, as revised, assumes a real property tax rate of \$0.63 per \$100 of assessed valuation—a reduction of \$0.03 from the rate for the prior fiscal year. This rate exceeds the Constant Yield Tax Rate of \$0.597.</p> <p>First reading of the ordinances was held on June 6, 2005. The fund summaries have been updated to reflect final audited figures for FY04. Additionally, the projected expenditures for capital outlay in FY05 have been revised to reflect the anticipated expenditure of \$500,000 in street loan proceeds.</p>
<b>Policy</b>	In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager is charged with submission of a proposed budget for consideration of the City Council. Before adoption of the budget, the City Council shall hold at least one public hearing.
<b>Fiscal Impact</b>	The proposed budget for FY06 provides for total expenditures of \$19,991,522. General Fund expenditures total \$16,863,160. Combined expenditures for the other funds (Storm Water Management, Special Revenues, and Community Center) equal \$3,128,362.
<b>Attachments</b>	<p>Draft ordinance establishing tax rates for FY06</p> <p>Draft ordinance approving and adopting the Storm Water Management Fund budget for FY06 and an associated exhibit</p> <p>Draft ordinance approving and adopting a budget for FY06 for the General Fund, the Special Revenue Funds, and the Community Center Fund and associated exhibits</p>
<b>Recommendation</b>	Staff recommends that the City Council approved all ordinances on second reading.

Introduced by: Councilmember Williams

First Reading: June 6, 2005  
Second Reading:

Ordinance No. 2005-13

**AN ORDINANCE ESTABLISHING THE TAX RATES FOR FISCAL YEAR 2006, BEGINNING JULY 1, 2005 AND ENDING JUNE 30, 2006.**

**WHEREAS,** in accordance with Section 6-303 of the Tax Property Article of the Annotated Code of Maryland, the City Council is charged with the establishment of a municipal corporation tax rate on or before the first day of July of each year; and,

**WHEREAS,** a public hearing must be held prior to the establishment of said tax rate if the rate will exceed the constant yield tax rate as calculated by the Maryland Department of Assessments and Taxation; and,

**WHEREAS,** the proposed tax rate for Fiscal Year 2006 will exceed the constant yield tax rate; and,

**WHEREAS,** the required public hearing was held on May 9, 2005.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND:**

**SECTION 1.** Section 7.16.020 of Chapter 7.16, "Real and Personal Property", of the City of Takoma Park Code is amended to read as follows:

"Section 7.16.020. Annual tax levy on real and personal property.

Effective July 1, 2005, all real and personal property which is subject to taxation by the City shall be subject to a tax on the assessed value of such real and personal property as such value is determined by the State Department of Assessments and Taxation, at the rate of:

Real Property	\$0.63 per \$100 of assessed valuation
Personal Property	\$1.575 per \$100 of assessed valuation
Railroad and Public Utilities	\$1.575 per \$100 of assessed valuation

**SECTION 2.** This Ordinance shall be effective July 1, 2005.

Adopted this \_\_\_\_\_ day of June, 2005, by roll-call vote as follows:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Introduced by: Councilmember Williams

First Reading: June 6, 2005  
Second Reading

Ordinance No. 2005-14

**AN ORDINANCE APPROVING AND ADOPTING THE STORM WATER MANAGEMENT  
BUDGET FOR FISCAL YEAR 2006, BEGINNING JULY 1, 2005  
AND ENDING JUNE 30, 2006.**

**WHEREAS,** Section 1101 of the Charter of the City of Takoma Park designates the City Council as the Storm Water Management Board for Takoma Park with all of the powers associated therewith; and,

**WHEREAS,** Section 4-204(d), Environment Article and Article 29, Section 3-205(l) of the Annotated Code of Maryland authorizes the adoption of a system of charges for storm water management programs by the City; and,

**WHEREAS,** Section 1006 of the Charter of the City of Takoma Park empowers the Storm Water Management Board to charge and to collect storm water utility fees and user charges to pay for storm water management activities in the City; and,

**WHEREAS,** the Storm Water Management Board desires to maintain a Storm Water Management Fund for the collection and payment of revenues and expenditures as it deems necessary to provide for the construction, maintenance, operations, and repair of the storm water management system in the City.

**NOW, THEREFORE, BE IT ORDAINED BY THE STORM WATER MANAGEMENT BOARD  
OF THE CITY OF TAKOMA PARK, MARYLAND:**

**SECTION 1.** For Fiscal Year 2006, a Storm Water Management fee shall be imposed on real property in the City in an amount sufficient to fund the Storm Water Management expenditures established by this Ordinance. The base rate for the Storm Water Management fee shall be \$28.68 as established by Ordinance No. 1999-14.

**SECTION 2.** A Storm Water Management Fund shall be maintained into which shall be deposited:

- (a) All the receipts and revenues from user charges and utility fees imposed by the City to pay for storm water management
- (b) All charges, fees, fees-in-lieu, grants, and other contributions received from any person or governmental entity in connection with storm water management activities or programs.

**SECTION 3.** The budget adopted hereto and by reference made a part hereof is hereby adopted for the fiscal year beginning July 1, 2005 an ending June 30, 2006. Said budget provides for an appropriation in the amount of \$228,000 for storm water management activities.

**SECTION 4.** The use of \$15,000 of the Storm Water Management Fund fund balance is hereby authorized to supplement other fund revenues.

**SECTION 5.** Storm water management projects that are declared to be of an emergency nature as defined by the City Council in accordance with the Charter of the City of Takoma Park may be funded through the Emergency Reserve or other monies as designated by the City Council.

**SECTION 6.** Should any section of this Ordinance be determined to be invalid, such invalidity shall not affect any other sections.

**SECTION 7.** This Ordinance shall be effective July 1, 2005.

Adopted by roll-call vote this \_\_\_\_\_ day of June, 2005 as follows:

AYES:

NAYS:

ABSENT:

ABSTAIN:

# FY06 BUDGET SUMMARY - STORM WATER MANAGEMENT FUND

	<b><u>Audited FY03</u></b>	<b><u>Audited FY04</u></b>	<b><u>Budgeted FY05</u></b>	<b><u>Estimated FY05</u></b>	<b><u>Proposed FY06</u></b>
<b><u>REVENUES</u></b>					
Taxes and utility fees	0	0	0	0	0
Licenses and permits	1,242	3,021	2,000	28,468	2,000
Fines and forfeitures	0	0	0	0	0
Use of money and property	15,383	402	2,100	1,000	1,000
Charges for service	214,578	237,408	220,000	210,000	210,000
Intergovernmental	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total Revenues	231,203	240,831	224,100	239,468	213,000
<b><u>EXPENDITURES</u></b>					
Public Works	159,288	132,487	115,383	86,697	138,325
Capital outlay	67,316	0	119,054	184,292	89,675
Debt service	144,140	0	0	0	0
Total Expenditures	370,744	132,487	234,437	270,989	228,000
Excess (deficiency) of revenues over expenditures	(139,541)	108,344	(10,337)	(31,521)	(15,000)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Loan proceeds	0	0	0	0	0
Operating transfers in (out)	0	(200,000)	0	0	0
Total Other Financing Sources (Uses)	0	(200,000)	0	0	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(139,541)	(91,656)	(10,337)	(31,521)	(15,000)
<b><u>FUND BALANCE</u></b>					
Beginning of year	384,222	244,681	153,025	153,025	121,504
End of year	244,681	153,025	142,688	121,504	106,504

Introduced by: Councilmember Barry

First Reading: June 6, 2005  
Second Reading:

Ordinance No. 2005-15

**AN ORDINANCE APPROVING AND ADOPTING THE BUDGET FOR FISCAL YEAR 2006,  
BEGINNING JULY 1, 2005 AND ENDING JUNE 30, 2006.**

**WHEREAS**, in accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager submitted a recommended budget for Fiscal Year 2006 to the City Council for its review and consideration; and,

**WHEREAS**, the Charter of the City of Takoma Park requires the conduct of at least one public hearing prior to adoption of the budget; and,

**WHEREAS**, the City Council held said hearings and received public comment on the proposed budget on May 2, 9, and 31; and,

**WHEREAS**, after considering the recommended budget submitted by the City Manager and the comments made at the aforementioned public hearings, the City Council has determined its priorities relative to the delivery of municipal services for Fiscal Year 2006.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND:**

**SECTION 1.** The budget adopted hereto and by reference made a part hereof is hereby adopted for the year commencing on July 1, 2005 and ending June 30, 2006.

**SECTION 2.** The following amounts are hereby appropriated by fund:

<b>Fund</b>	<b>Fiscal Year 2006 Appropriation</b>
General Fund	\$16,863,160
Special Revenue Funds	1,463,275
Community Center Fund	1,437,087
<b>GRAND TOTAL</b>	<b>\$19,763,522</b>

**SECTION 3.** The following operating transfers are hereby authorized in accordance with the exhibits attached hereto and incorporated herein by reference:

<b>Operating Transfer From</b>	<b>To</b>	<b>Amount of Transfer</b>
General Fund	Community Center Fund	\$400,000
General Fund	Special Revenue Funds	3,309

**SECTION 4.** Use of the following fund balance amounts is hereby authorized to supplement other fund revenues and financing sources:

<b>Fund</b>	<b>Fiscal Year 2006 Appropriation</b>
General Fund	\$1,357,397
Community Center Fund	229,722

**SECTION 5.** In accordance with Section 803 of the Charter of the City of Takoma Park, a general contingency account in the amount of \$77,545 has been included in the Non-Departmental budget unit of the General Fund.

**SECTION 6.** A five-year Capital Improvement Program for Fiscal Year 2006 through Fiscal Year 2010 has been developed as part of the budget and is attached hereto and incorporated herein by reference.

**SECTION 7.** It is hereby acknowledged that the City Council, in its capacity as the Storm Water Management Board, approved a Storm Water Management Fund budget for Fiscal Year 2006 by Ordinance No. 2005-\_\_\_\_\_.

**SECTION 8.** Should any section of this Ordinance be determined to be invalid, such invalidity shall not affect any other sections.

**SECTION 9.** This Ordinance shall be effective July 1, 2005.

Adopted this \_\_\_\_\_ day of June, 2005 by roll-call vote as follows:

AYES:

NAYS:

ABSTAIN:

ABSENT:

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**ALL GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR BEGINNING JULY 1, 2006**

	<b>General Fund</b>	<b>Storm Water Management Fund</b>	<b>Special Revenue Funds</b>	<b>Community Center Fund</b>	<b>Total</b>
FY2006 Revenues	15,509,072	213,000	1,552,552	807,365	18,081,989
FY2006 Expenditures	16,863,160	228,000	1,463,275	1,437,087	19,991,522
Excess (deficiency) of revenues over expenditures	(1,354,088)	(15,000)	89,277	(629,722)	(1,909,533)
Other Financing Sources (Uses)					
Sale of property	400,000	0	0	0	400,000
Operating transfers in (out)	(403,309)	0	3,309	400,000	0
Total Other Financing Sources (Uses)	(3,309)	0	3,309	400,000	400,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,357,397)	(15,000)	92,586	(229,722)	(1,509,533)
Fund Balance					
Beginning of year	4,027,804	121,504	(92,586)	229,722	4,286,444
End of year	2,670,407	106,504	0	0	2,776,911



# FY06 BUDGET SUMMARY - GENERAL FUND

	<b>Audited FY03</b>	<b>Audited FY04</b>	<b>Budgeted FY05</b>	<b>Estimated FY05</b>	<b>Proposed FY06</b>
<b><u>REVENUES</u></b>					
Taxes and utility fees	8,115,007	8,618,452	9,230,984	9,421,297	9,975,839
Licenses and permits	30,686	60,841	46,000	81,854	66,854
Fines and forfeitures	130,455	104,539	162,500	165,700	162,000
Use of money and property	174,989	67,280	123,000	105,252	106,000
Charges for service	569,734	535,401	621,500	559,300	580,000
Intergovernmental	3,403,661	3,494,647	3,927,280	3,890,513	4,440,346
Miscellaneous	652,055	382,952	104,333	214,798	178,033
Total Revenues	13,076,587	13,264,112	14,215,597	14,438,714	15,509,072
<b><u>EXPENDITURES</u></b>					
General Government	1,827,489	2,027,868	1,766,449	1,892,336	1,929,889
Police	3,938,440	4,129,507	4,430,447	4,309,791	4,613,481
Public Works	2,979,599	3,127,512	3,208,734	3,218,671	3,420,064
Recreation	875,888	911,957	1,045,394	919,348	1,109,234
Housing and Community Development	758,430	955,228	994,607	925,909	1,076,921
Communications	220,524	299,080	326,160	320,209	347,919
Library	650,934	685,218	817,766	744,108	866,172
Non-departmental	403,593	606,117	1,217,120	787,048	1,030,976
Capital outlay	1,042,789	394,641	2,569,000	1,234,030	1,576,020
Debt service	1,054,932	307,088	312,735	345,719	892,484
Total Expenditures	13,752,618	13,444,216	16,688,412	14,697,169	16,863,160
Excess (deficiency) of revenues over expenditures	(676,031)	(180,104)	(2,472,815)	(258,455)	(1,354,088)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Loan proceeds	380,000	19,475	2,005,000	2,005,000	0
Sale of Property	0	0	0	0	400,000
Operating transfers in (out)	(330,929)	(3,019,513)	(699,774)	(408,149)	(403,309)
Total Other Financing Sources (Uses)	49,071	(3,000,038)	1,305,226	1,596,851	(3,309)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(626,960)	(3,180,142)	(1,167,589)	1,338,396	(1,357,397)
<b><u>FUND BALANCE</u></b>					
Beginning of year	6,496,510	5,869,550	2,689,408	2,689,408	4,027,804
End of year	5,869,550	2,689,408	1,521,819	4,027,804	2,670,407

*Note: Fund balance includes monies that are designated for specific purposes, including the Equipment Replacement Reserve, the Emergency Reserve, and proceeds from the street loan.*

## FY06 BUDGET SUMMARY - SPECIAL REVENUE FUNDS

	<b><u>Audited FY03</u></b>	<b><u>Audited FY04</u></b>	<b><u>Budgeted FY05</u></b>	<b><u>Estimated FY05</u></b>	<b><u>Proposed FY06</u></b>
<b><u>REVENUES</u></b>					
Taxes and utility fees	0	0	0	0	0
Licenses and permits	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0
Use of money and property	700	527	0	400	0
Charges for service	0	0	0	0	0
Intergovernmental	698,741	1,220,772	1,064,200	940,998	1,552,552
Miscellaneous	0	0	0	0	0
Total Revenues	699,441	1,221,299	1,064,200	941,398	1,552,552
<b><u>EXPENDITURES</u></b>					
General Government	220,897	304,976	132,000	162,052	100,000
Police	105,959	162,611	287,789	190,661	310,000
Public Works	217,011	1,032,466	217,950	564,935	1,025,775
Housing and Community Development	0	14,295	317,050	34,850	0
Recreation	228,621	262,903	132,500	67,500	27,500
Total Expenditures	772,488	1,777,251	1,087,289	1,019,998	1,463,275
Excess (deficiency) of revenues over expenditures	(73,047)	(555,952)	(23,089)	(78,600)	89,277
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Loan proceeds	0	0	0	0	0
Operating transfers in (out)	5,382	340,900	23,078	6,453	3,309
Total Other Financing Sources (Uses)	5,382	340,900	23,078	6,453	3,309
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(67,665)	(215,052)	(11)	(72,147)	92,586
<b><u>FUND BALANCE</u></b>					
Beginning of year	262,277	194,612	(20,439)	(20,439)	(92,586)
End of year	194,612	(20,440)	(20,450)	(92,586)	0

# FY06 BUDGET SUMMARY - COMMUNITY CENTER FUND

	<b>Audited FY03</b>	<b>Audited FY04</b>	<b>Budgeted FY05</b>	<b>Estimated FY05</b>	<b>Proposed FY06</b>
<b><u>REVENUES</u></b>					
Taxes and utility fees	0	0	0	0	0
Licenses and permits	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0
Use of money and property	0	0	0	0	0
Charges for service	0	0	0	0	0
Intergovernmental	239,970	1,288,816	3,981,815	2,597,863	807,365
Miscellaneous	0	0	0	0	0
Total Revenues	239,970	1,288,816	3,981,815	2,597,863	807,365
<b><u>EXPENDITURES</u></b>					
General Government	565,517	47,531	77,732	78,219	42,943
Capital Outlay	0	3,549,088	5,236,429	5,800,000	1,394,144
Total Expenditures	565,517	3,596,619	5,314,161	5,878,219	1,437,087
Excess (deficiency) of revenues over expenditures	(325,547)	(2,307,803)	(1,332,346)	(3,280,356)	(629,722)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Loan proceeds	0	0	0	2,537,572	0
Operating transfers in (out)	325,547	2,878,613	1,332,346	401,696	400,000
Total Other Financing Sources (Uses)	325,547	2,878,613	1,332,346	2,939,268	400,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	0	570,810	0	(341,088)	(229,722)
<b><u>FUND BALANCE</u></b>					
Beginning of year	0	0	570,810	570,810	229,722
End of year	0	570,810	570,810	229,722	0

# CAPITAL IMPROVEMENT PROGRAM FY 06 - FY 10

#	EQUIPMENT	FY06	FY 07	FY08	FY09	FY10
	General Government					
1	central filing system		30,000			
	Police					
2	replacement vehicles	66,000	72,000	48,000	75,000	78,000
	Public Works - Vehicles:					
3	replace van (125)	20,000				
4	pick up truck (ERR 183, 100, 116, 172)		ERR: 24,201	ERR: 24,041	ERR: 33,430	ERR: 23,353
5	dump truck (ERR 166 // 165 // 102 // 153)	ERR: 39,563	ERR: 40,750	ERR: 36,970	ERR: 36,286	
6	Recycling truck					ERR: 181,700
	Public Works - Equipment					
7	liquid chemical spreader		30,000			
8	leaf collection vacuums (ERR)	ERR: 16,310	ERR: 18,271	ERR: 18,271	ERR: 19,084	ERR: 19,084
9	backhoe				ERR: 95,000	
	Recreation					
10	purchase additional van		20,000			
	<b>SUBTOTAL - EQUIPMENT</b>	<b>86,000</b>	<b>152,000</b>	<b>48,000</b>	<b>75,000</b>	<b>78,000</b>
	<b>STREETS</b>					
11	street light upgrade	20,000	20,000	20,000	20,000	20,000
12	street rehabilitation	1,127,147	137,444	147,752	157,000	167,000
13	pedestrian safety	25,000	25,000	25,000	25,000	25,000
14	gateway signage	20,000				
	<b>SUBTOTAL - STREETS</b>	<b>1,192,147</b>	<b>182,444</b>	<b>192,752</b>	<b>202,000</b>	<b>212,000</b>
	<b>PARKS</b>					
15	Jeque Park lighting	6,000				
16	Jackson Boyd Park		SRF: 16,250			
17	Jeque Park ballfield renovation			SRF: 10,000		

	<b>PARKS (continued)</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>
18	Jeque sprinkler system			15,000		
19	Jeque gazebo renovation				15,000	
20	Spring Park fountain restoration	25,000				
21	First Avenue path Improvements		34,000			
	<b>SUBTOTAL PARKS</b>	<b>31,000</b>	<b>34,000</b>	<b>15,000</b>	<b>15,000</b>	<b>0</b>

	<b>FACILITIES</b>					
	Public Works:					
22	replace shop vehicle lift	6,000				
23	replace fueling system (pumps & software)	35,000				
24	replace overfill catchment basin, fuel tanks	20,000				
25	salt storage facility	80,000				
26	new facility design/construction		60,000	1,200,000		
	City Bldg:					
27	HVAC Assessment	10,000				
29	boiler replacement (ERR)	ERR: 60,000				
30	Municipal Building Roof (old sections)				ERR: 175,000	
31	duct cleaning		12,000			
	Police:					
32	evidence facility - (Bay 3)		15,000			
	Library:					
33	carpet replacement (ERR)		ERR: 26,500			
34	duct cleaning		5,000			
	<b>SUBTOTAL - FACILITIES</b>	<b>151,000</b>	<b>92,000</b>	<b>1,200,000</b>	<b>0</b>	<b>0</b>

	<b>CIP TOTALS - General Fund amounts:</b>	<b>1,460,147</b>	<b>460,444</b>	<b>1,455,752</b>	<b>292,000</b>	<b>290,000</b>
	<b>CIP TOTALS - Equipment Replacement Reserve:</b>	<b>115,873</b>	<b>109,722</b>	<b>79,282</b>	<b>358,800</b>	<b>224,137</b>
	<b>CIP TOTALS - General Fund Special Revenue Match:</b>		<b>16,250</b>	<b>10,000</b>		
	<b>TOTAL</b>	<b>1,576,020</b>	<b>586,416</b>	<b>1,545,034</b>	<b>650,800</b>	<b>514,137</b>

SRF = Special Revenue Fund; monies shown here are City's General Fund match and are calculated in SRF

ERR = Equipment Replacement Reserve